

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **November 25, 2003, Work Session**

AGENDA ITEM NO.: 4

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Solid Waste Management – Small Hauler Request to Reduce Landfill Disposal Fee**

RECOMMENDATION:

City staff recommends no change in current fee structure.

SUMMARY:

A small hauler has requested the City to lower his landfill disposal rate from \$48.00 per ton to \$35.00 per ton.

City Council previously had discussed this issue and instructed staff to bring back additional information. Attached is a brief report for Council consideration.

PRIOR ACTION(S): City Council briefly discussed this issue at the May 2002 Work Session.

FISCAL IMPACT: The fiscal impact depends upon City Council's decision regarding accepting or denying the request for a lower landfill disposal fee. The potential revenue loss ranges from approximately \$10,000 to \$128,917.

CONTACT(S): Dave Owen (847-1806 ext. 22)
Bruce McNabb (455-3960)

ATTACHMENT(S): Small Hauler Report
Landfill Users Tonnage Report

REVIEWED BY: lkp

Small Haulers Report
November 25, 2003

Request: Mr. Randy Calloway has requested the City to reduce his landfill disposal fee from \$48.00 per ton to \$35.00 per ton (similar to the four large private haulers).

Background: The four large private haulers receive a discounted rate of \$35.00 per ton for the disposal of their waste at the City's landfill. The landfill gate rate is currently \$48.00 per ton and that rate is charged to all users of the landfill except the four large haulers and the two industrial companies under contractual agreements with the City. Please see attachment for listing of largest landfill users.

Considerations:

Business

License: As a general rule a business is not required to obtain a business license from a locality unless the business has a "definite place of business" within the locality. The State Code defines a definite place of business as "an office or location at which occurs a regular and continuous course of dealing for thirty consecutive days or more." If a business does not have an actual place of business within a locality it does not have to obtain a business license even though it does business within the locality. There are some exceptions to this general rule. For example, itinerant merchants and peddlers, carnivals and circuses can be required to obtain a local business license even though they do not have a definite place of business within a locality. Also, a contractor who has a place of business in one locality and who does more than \$25,000 worth of work in any given year in another locality can be required to obtain a local license for the amount of the work done in the second locality. The contractor is permitted to deduct the amount of such business license from the gross receipts that are reported to the locality where the contractor's place of business is located. However, there is no exception for solid waste haulers. Unless the solid waste hauler in question has offices or storage facilities or some other physical facilities within the City he is not required to get a business license from the City.

Therefore, a business performing trash hauling is not required to obtain a business license if it meets one of the exemptions as noted above. Currently, the four largest private haulers are not required to obtain a City business license.

There are presently eleven (11) companies that have obtained business licenses in the City to perform hauling services. Only two of these companies actually haul or transport solid waste / trash (First Piedmont Corporation and Harold Beasley Inc.).

Other

Contractors: There is a significant challenge to differentiate among small trash haulers, material haulers (rock, dirt, and building supply) and contractors or

organizations that haul their own waste and do not contract out their waste hauling services. Many contractors simply haul any left over or unusable materials during and after a construction project. There are also several organizations that haul their waste as part of their daily work (i.e. Liberty University, Lynchburg College, Randolph Macon Woman's College, DAV, English Construction, etc.).

Other

Localities: City staff surveyed other localities to see how they handled this situation and as can be seen in the chart below, most charged the same fee to all customers not under a contractual agreement.

VA TIP FEE COMPARISON

LOCALITY	GATE RATE (Per ton)	CONTRACT Rate (Per ton)	DESCRIPTION
Amherst County	\$44.00		Residents free
Bedford City	\$60.00		Same for all
Bedford County	\$38.00		Residents free up to 1000 lbs. More than that \$61/Ton
Campbell County	\$45.00		Residents free
Fairfax County	\$55.00	\$43.95	Gate rate charged unless under contract.
Henrico County	\$50.00		Same for all
New River Solid Waste Authority	\$29.50		Does not accept waste from out of jurisdiction
Rivanna Solid Waste Authority (Charlottesville & Albemarle)	\$56.00		Does not accept other waste
Roanoke Valley Solid Waste Authority	\$55.00		Members charged \$43/Ton
Southeastern Public Service Authority (SPSA) (Thirteen localities in Virginia Beach Area).	\$55.00	\$38.00	Contract rate for minimum 100 Tons/week. Municipal members charged \$38/Ton

Options:

(1) Offer Mr. Calloway the same disposal fee as the four large trash haulers.

Advantages:

- Allows them to compete on a level playing field
- Encourages competition

Disadvantages:

- Reduces revenue collected at the landfill by approximately \$10,000 per year
- Difficult to distinguish trash haulers from general contractors

(2) Lower gate rate to \$35.00 per ton so all customers pay the same

Advantages:

- Allows all contractors and residents to pay same for disposal (level playing field for everyone)
- Encourages competition

Disadvantages:

- Loss in revenue at landfill of approximately \$128,917 per year

(3) Offer lower gate rate (\$35) to customers (including small haulers or other contractors) bringing in a certain monthly tonnage (possibly 100 tons)

Advantages:

- Allows them to compete on a level playing field
- Encourages competition

Disadvantages:

- Loss in revenue at landfill of approximately \$30,000 per year

(4) Keep disposal rates as is

Advantages:

- No change in procedure
- Keeps revenues at existing levels

Disadvantages:

- Perceived inequity to small haulers and contractors as they are required to pay a higher disposal rate than the four large private haulers

RECOMMENDATION:

Keep existing disposal rates as is

Landfill Users Tonnages		
July 1, 2002 - June 30, 2003		
Company Name	Tons	Transactions
BFI Waste Services	58,016.87	10,945
Griffin Pipe Products Co.	24,455.48	1,802
City - WWTP	21,493.75	1,558
City - Refuse Collection	16,163.36	3,297
Waste Management of VA - Blue Ridge	10,198.43	1,715
Rock-Tenn Corporation	10,055.70	1,369
First Piedmont Corporation (FPC)	4,593.68	855
City Streets Division	4,461.64	592
City Inspections	3,874.59	387
Brookneal Solid Waste (BSW)	2,016.65	404
City Utilities	1,799.97	419
Liberty University	832.45	171
C L Lewis & Company Inc.	461.76	406
Coleman Adams Construction, Inc.	435.92	290
Lynchburg College	406.89	137
Cycle Systems	346.08	90
Johnson Excavating	330.12	47
Roger's Lawn & Gutter Service	289.26	189
Habitat for Humanity	262.56	33
Gerdy Construction Co., Inc.	234.51	130
Calloway Enterprises	201.44	243
J & W Hauling	196.03	56
VA Department of Transportation	182.50	29
Lynchburg Ind. Development Authority	140.36	31
Boxley Concrete Products	137.20	18
J E Jamerson & Sons, Inc	115.91	53
D S Zechini Construction, Inc	113.69	63
Melvin T. Morgan Roofing	103.72	41
Tri-Tech Laboratory	98.44	29
City Schools - COL	96.80	128
Lowes # 437	94.45	198
L G Flint	93.54	107
Kidd's Restoration Service	92.76	109
Campbell - Payne Inc	89.73	66
Foxcrest Builders, Inc.	85.44	85
Industrial Development Authority	83.63	15
Hill Construction Co.	81.75	35
City B & G Division	81.05	82
Cricket Excavating Co., Inc.	81.04	15
Coldwell Banker Forehand Co.	80.16	171
Woodall & Lang, Inc.	79.69	55
River Ridge Roofing	75.96	50
Johnston Enterprises, Inc	75.17	34
Gantt Properties Inc.	68.82	78
Borel Construction	67.23	93
B & A Trucking	62.89	54
D S Construction Inc.	59.21	65

Company Name	Tons	Transactions
W. A. Lynch Roofing Co. of LYBG	56.68	74
American Electric Power (AEP)	53.67	37
City - Misc.	53.64	62
Oglesby Mgmt. Group Inc.	52.00	59
Foster Construction, Inc.	51.50	64
Modern Buildings	51.09	24
Whitehead Building Co., Inc.	47.69	36
Schewel Furniture Co., Inc	45.08	103
WEL	41.59	9
Whitney Construction, Inc.	40.98	26
Hancock-Fuqua-Robertson, Inc.	40.00	37
Bragg Building, Inc	38.33	24
F L Showalter Inc.(contractor)	35.46	11
Smith-Wimer, Inc	34.99	44
Gary Case & Co. Realtors	32.20	115
Falwell Well Corporation	30.82	37
Custom Crafters	29.02	19
Central Virginia Construction Inc.	28.91	20
Centra Health	28.66	55
Appalachian Plumbing	28.60	128
Counts & Dobyns Inc.	28.58	24
Rivermont Heights, LLC	27.45	18
Tim Reynolds Construction	26.93	30
Consumer Dornin Adams Inc.	26.89	24
Callinder General Construction	25.33	10
Ahrens Construction Co.	24.60	30
Allen Contracting	24.56	36
Young Moving & Storage	24.36	8
Sandrof Auto Body, Inc.	23.84	85
Sears	23.39	20
Holland's General Contractors	22.42	26
Anderson Construction Company	21.67	27
Truck Body Corporation	20.93	17
Servicemaster of Lynchburg	19.92	73
Lynchburg Redevelopment & Housing	19.15	70
Kenyon's Home Improvement	17.19	15
Langley Family Trust	17.07	22
Four Seasons Landscape Inc.	16.92	31
Brownstone Properties, Inc.	16.69	76
Jordan Baptist Church	16.53	66
Lynchburg Ready Mix Concrete	16.45	94
Deitz Lilly Builders Inc.	15.85	8
Snead and Wilcher Construction	15.57	3
Virginia Grounds Services, LLC	15.50	66
R M Gantt, Inc. (Contractor)	15.42	23
Coleman Glass Construction Inc.	15.04	34
Lynchburg Community Action Group	14.52	51
Reed's Carbide Saw Service	14.33	12
Arrowhead Corporation	13.57	18
Fairfield Echols	12.77	2

Company Name	Tons	Transactions
Generation Solutions	12.09	25
Steve A. Morris, Inc. (Contractors)	11.24	8
Mattress King	11.00	53
Acorn Hill	10.94	19
Watson Construction Inc.	10.90	12
Quaker Memorial Pres. Church	10.84	5
Talbott, Inc. (General Contractors)	10.36	24
John Vincent Custom Building	9.82	16
Ferebee Johnson	9.78	15
Colonial Builders, Inc.	9.56	9
David J. Tuttle Building Contractor	9.20	19
Southern Air Inc.	8.93	14
Custom Surroundings, Inc.	8.86	2
McGuire Construction Inc.	8.86	2
Columbia Gas of Virginia	7.99	6
MAC Construction	7.75	6
Templeton & Company	7.42	1
Long Meadows Inc. (LMI)	7.39	6
Taylor Brothers Inc.	6.90	2
H & H Contractors	6.85	5
Lynchburg Garage Door	6.72	46
Great Eastern Mgt. Company	6.62	5
Wingfield - Burton Construction Corp.	6.39	12
Hooper Plumbing Supply, Inc.	6.20	7
Siegwerk Inc.	6.06	4
Martin Aluminum Co., Inc.	6.04	43
Xpedx - Lynchburg	6.00	5
Quinn's Inc.	5.97	7
John C. Martin Builder	5.90	4
Smith & Thurmund Inc.	5.87	19
Target Tire, Inc.	5.86	24
Alco Vinyl & Window Company	5.82	18
Backyard Designs, Inc.	5.53	10
Duke Fencing Company	5.46	5
The Floor Show	5.42	3
Framatone Technologoes Inc.	5.16	9
Baer & Sons Memorial	4.88	2
Piedmont Express Inc.	4.77	8
Kerr Tire, Inc.	4.73	12
Park Avenue Flower Shop	4.51	35
James L. Ray Construction Co.	4.46	7
J E Sears & Co., Inc,	4.33	11
DHD Construction Inc.	4.16	11
Maxey Exterior Design, Inc.	4.05	1
City Fire Department	3.98	20
Virginia Garden Supply	3.96	5
Timothy S. Cash Builder, Inc.	3.82	13
Jim Dinardo Builders	3.64	5
Commonwealth Door and Hardware	3.59	6
Randolph-Macon Woman's College	3.37	6

Company Name	Tons	Transactions
Honda BMW Suzuki of Lynchburg	3.36	3
Virginia Tennis Company Inc.	3.20	14
Hamilton-Morcom Corporation	2.80	3
Carpet Care of Central VA, Inc.	2.75	11
Finly Corporation	2.56	1
Spring Hill Cemetary Associates	2.36	6
Lynchburg Nephrology Dialysis	2.19	15
Montague-Betts Company	2.13	7
Candler Oil Company	1.95	2
City Parks Department	1.93	12
Thayer Construction Co., Inc	1.84	9
College Park Automotive	1.62	2
Presbyterian Children's Home	1.61	7
Virginia Metal Service	1.60	2
Arcet	1.59	2
Doug's Lawn & Cleaning Service	1.56	6
Fred Baldwin Construction Co.	1.55	6
Great American Sleep Shop	1.51	2
Ralph Mosley, Inc	1.49	9
Central VA Community Services	1.47	10
Tri-County Maintenance	1.36	22
John T. Morgan Roofing & Sheeting	1.22	3
Versar, Inc.	1.12	9
Five Alarm Properties	1.12	1
Overhead Door of Lynchburg	1.09	4
Harris Tire	0.85	4
Blue Ridge Regional Jail Authority	0.76	3
Industrial Heating Company Inc.	0.68	1
Valley Rich Dairy	0.64	1
Miles Decking	0.64	3
Rivermont Pres. Church	0.58	2
Lynchburg Fire Equipment	0.57	2
N. B. Handy Co., Inc	0.55	2
Salvation Army Thrift Store	0.52	2
Collins Vinyl Siding, Inc.	0.44	2
Glenn A. Trent, Inc.	0.44	2
Virginia Maintenance Co.	0.42	2
Lynchburg Restoration Inc.	0.35	1
The Carpet Shop of Lynchburg	0.33	1
Hurt & Proffitt, Inc.	0.28	1
Rhodes Construction	0.27	1
Chalmers & Kubeck - South	0.23	1
916 Associates	0.18	1
Grand Piano & Furniture Co.	0.15	1
Extended Care Associates	0.14	1
Oakridge Toyota	0.12	1
White Rock Food Market	0.07	1
Brammer Safety Supply Inc.	0.05	1